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Egypt

Grain and Feed

Wheat Update

2003

Approved by:

Asif J. Chaudhry

U.S. Embassy, Cairo

Prepared by:

Sherif Ibrahim

Report Highlights:

Total Egypt's wheat purchases for MY 2002/03 (July- June) declined by about 10 percent compared with MY 2001/03. The U.S market share in MY 2002/03 also declined to 23 percent of the total Egyptian imports compared with 56 percent during MY 2001/02.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Cairo [EG1], EG

Egypt's wheat purchases for MY 2002/03 (July-June) declined by about 10 percent compared with MY 2001/2003. Total Egyptian wheat purchase contracts in MY 2002/03 by both government and private sector companies are estimated at 5,631,615 MT. While imports by the Ministry of Supply (GASC) increased by 32 percent, both the Food Industries Holding Company (FIHC) and private sector imports decreased by 95 percent and 32 percent respectively. This dramatic decrease by FIHC and private sector companies is mainly due to the severe lack of foreign exchange after the floating of the Egyptian pound.

The following table shows the difference between MY 2001/2002 and MY 2002/03 by the three buying entities:

	MY 2001/2002 MT	MY 2002/03 MT
GASC:	2,900,000	3,840,000
FIHC:	815,115	39,000
Private Sector:	2,594,090	1,752,615

The U.S market share in MY 2002/03, is estimated at 23 percent, compared to 56 percent in MY 2001/2003. The market share for France and Australia in MY 2002/03 are estimated at 40 and 6 percent, respectively, compared to 8 and 25 percent, respectively, in MY 2001/2002. Wheat imports from Russia in MY 2002/03 increased substantially to 1,339,283 MT, all by the private sector, as compared with only 212,253 MT in MY 2001/02. This substantial increase was mainly due to the low price of Russian wheat as compared to other traditional origins, combined with the devaluation of the Egyptian pound which forced private sector mills to order small shipments of wheat. During MY 2002/03, small quantities were also imported from other non-traditional wheat suppliers such as Ukraine, Poland, Pakistan and Yugoslavia supplying 62,000 MT, 51,000 MT, 50,000 MT and 38,000 MT respectively.